



February 20, 2009

## SENATE BILL No. 348

DIGEST OF SB 348 (Updated February 19, 2009 11:43 am - DI 58)

**Citations Affected:** IC 4-22; IC 6-3.5; IC 36-12.1.

**Synopsis:** Library services planning. Requires the Indiana library and historical board to adopt emergency rules not later than July 1, 2009, establishing statewide library standards for the delivery of library service to every resident of Indiana. Establishes a public library service planning committee (committee) in each county to prepare a library services plan for the county. Specifies the membership of the public library planning service committee in Marion County. Provides for the following library service models for a county: (1) A consolidated countywide system. (2) A consolidated system of two or more counties. (3) Two or more independently governed library systems within a county. Requires the state library to conduct regional training sessions to educate the committees on the planning process and library service models. Provides that if a county is served by a countywide public library system, the county's planning committee is not required to make a library service model determination. Specifies that if a planning committee determines that a library service model other than a consolidated countywide public library system should be used, the committee must include in the plan the committee's specific findings and explanation concerning why: (1) the chosen library service model is preferable; and (2) the chosen library service model will result in the delivery of better library services than would result under a

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**Effective:** Upon passage.

**Gard, Merritt, Deig**

January 8, 2009, read first time and referred to Committee on Local Government.  
January 29, 2009, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.  
February 19, 2009, amended, reported favorably — Do Pass.

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consolidated countywide public library system. Specifies that a planning committee may not approve a library services plan unless the plan provides for library services to all areas of the county. Provides that if a planning committee determines that there are areas in the county that are underserved by the public library systems, the planning committee must consider the option of having a public library enter into an interlocal agreement with one or more school corporations in the county to allow the public library to use the school buildings of the school corporation to better serve the underserved areas. Provides that a library services plan may change the number of appointments that may be made by an appointing person or entity to the library board of a library covered by the plan. Specifies that the plan may not change the total number of appointments that may be made to the library board or the persons or entities that make the appointments to the library board. Requires the state library and the office of management and budget to assist the counties in preparing and implementing the plan, obtaining grants and funding the plan. Requires the committee to conduct a public hearing and consider public testimony when the committee has prepared the plan. Provides that a committee must before February 1, 2010, submit a reorganization plan to the state library for review. Requires the state library to review the plan and provide any recommendations to the committee before April 15, 2010. Specifies that a committee may modify a plan as the committee considers appropriate to address any recommendations made by the state library. Provides that a plan does not become effective until the plan is approved by a committee. Specifies that approval of the state library is not required for the plan to become effective. Provides that after making any modifications the committee considers appropriate, the committee must take final action on the plan before May 15, 2010. Provides that the county fiscal body shall publish a notice specifying that a petition process may be initiated to determine whether a public question should be placed on the ballot asking whether a particular library district or an area that is not part of a library district within a particular township should be covered by the plan. Requires the petition to be filed by the lesser of 100 or 5% of the registered voters residing within a library district or area. Specifies that if a sufficient number of registered voters sign such a petition with respect to a library district or area, a public question regarding coverage by the plan must be placed on the ballot at the November 2010 election in that library district or area. Provides that separate vote totals shall be certified for each library district and for each area in which a public question is held. Provides that the plan does not apply to a library district or area if the public question is on the ballot in that library district or area and the plan is not approved by a majority of voters who vote in that library district or area. Provides that if a public question is on the ballot in more than one township for areas that are not part of a library district, the determination of the results of the vote on the public question and whether an area is covered by the plan and any reorganization or consolidation under the plan shall be made separately for each area. Specifies that a plan is considered to be modified to exclude any library district or area that, because of the results of the public question under this section, is not covered by the plan and any reorganization or consolidation under the plan. Specifies that a committee may adopt one or more subsequent plans covering any library districts or areas that are not covered by an existing plan because of the results of a public question. Provides that not more than two final plans may be adopted by a committee in any seven year period. Requires libraries in each county to reorganize according to the plan adopted for the county, as modified as a result of a referendum. Provides that any reorganization or consolidation under the plan takes effect January 1, 2012. Provides that if a plan provides that two or more public library systems shall be consolidated into one remaining public

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library system, no library operated by any of the public library systems that are consolidated may be closed during the three years following the effective date of the plan. Beginning January 1, 2013, requires the state library to annually report to the general assembly and the governor on the implemented plans and the plan budgets. Provides that (in addition to Hancock County, under current law) a county for which a library services plan has been approved and is in effect and that does not contain more than two public library districts may adopt an ordinance designating county economic development income tax (CEDIT) revenue for replacement of public library property taxes in the county. Provides that the maximum amount that may be used for library property tax replacement purposes is the amount of revenue generated by a CEDIT rate of 0.15%. Provides that a public library may receive the public library property tax replacement credits under this provision only if the library has entered into reciprocal borrowing agreements with all other public libraries in the county. Deletes the requirement that a county may adopt an ordinance to dedicate county economic development income tax (CEDIT) revenue for library property tax replacement only if all territory in the county is included in a library district. Provides that after December 31, 2011, library property tax replacement credits funded by CEDIT may be provided only to a public library that is covered by a library reorganization plan. Provides a credit against CEDIT liability for a taxpayer who pays CEDIT to a county in which tax revenue is dedicated to provide library property tax replacement credits and either does not reside in the territory of any library district in the county or resides in a library district in the county that is not covered by a plan. Provides that the amount of the credit is equal to the taxpayer's CEDIT liability for the taxable year that is attributable to the part of the CEDIT rate dedicated to providing library property tax replacement credits.

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February 20, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## SENATE BILL No. 348

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.90-2008,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking  
4 action resulting in any of the following rules:

5 (1) An order adopted by the commissioner of the Indiana  
6 department of transportation under IC 9-20-1-3(d) or  
7 IC 9-21-4-7(a) and designated by the commissioner as an  
8 emergency rule.

9 (2) An action taken by the director of the department of natural  
10 resources under IC 14-22-2-6(d) or IC 14-22-6-13.

11 (3) An emergency temporary standard adopted by the  
12 occupational safety standards commission under  
13 IC 22-8-1.1-16.1.

14 (4) An emergency rule adopted by the solid waste management  
15 board under IC 13-22-2-3 and classifying a waste as hazardous.

16 (5) A rule, other than a rule described in subdivision (6), adopted  
17 by the department of financial institutions under IC 24-4.5-6-107

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and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 or IC 16-41-2-1 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by or other date provided by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under IC 4-32.2-3-3(b), IC 4-33-4-2, IC 4-33-4-3, IC 4-33-4-14, or IC 4-35-4-2.

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

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(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-17-10-9.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 (repealed).

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 (repealed).

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) (repealed) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) (repealed) or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(30) A rule adopted by the Indiana finance authority:

(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;

(B) under IC 8-15-2-17.2(a)(10):

(i) establishing enforcement procedures; and

(ii) making assessments for failure to pay required tolls;

(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or

(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.

(31) An emergency rule adopted by the board of the Indiana health informatics corporation under IC 5-31-5-8.

**(32) An emergency rule adopted by the Indiana library and historical board under IC 36-12.1-3.**

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the

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1 agency, the agency shall submit the rule to the publisher for the  
 2 assignment of a document control number. The agency shall submit the  
 3 rule in the form required by section 20 of this chapter and with the  
 4 documents required by section 21 of this chapter. The publisher shall  
 5 determine the format of the rule and other documents to be submitted  
 6 under this subsection.

7 (d) After the document control number has been assigned, the  
 8 agency shall submit the rule to the publisher for filing. The agency  
 9 shall submit the rule in the form required by section 20 of this chapter  
 10 and with the documents required by section 21 of this chapter. The  
 11 publisher shall determine the format of the rule and other documents  
 12 to be submitted under this subsection.

13 (e) Subject to section 39 of this chapter, the publisher shall:

- 14 (1) accept the rule for filing; and
- 15 (2) electronically record the date and time that the rule is  
 16 accepted.

17 (f) A rule described in subsection (a) takes effect on the latest of the  
 18 following dates:

- 19 (1) The effective date of the statute delegating authority to the  
 20 agency to adopt the rule.
- 21 (2) The date and time that the rule is accepted for filing under  
 22 subsection (e).
- 23 (3) The effective date stated by the adopting agency in the rule.
- 24 (4) The date of compliance with every requirement established by  
 25 law as a prerequisite to the adoption or effectiveness of the rule.

26 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6,  
 27 IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in  
 28 subsections (j), (k), and (l), a rule adopted under this section expires  
 29 not later than ninety (90) days after the rule is accepted for filing under  
 30 subsection (e). Except for a rule adopted under subsection (a)(13),  
 31 (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting  
 32 another rule under this section, but only for one (1) extension period.  
 33 The extension period for a rule adopted under subsection (a)(28) may  
 34 not exceed the period for which the original rule was in effect. A rule  
 35 adopted under subsection (a)(13) may be extended for two (2)  
 36 extension periods. Subject to subsection (j), a rule adopted under  
 37 subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited  
 38 number of extension periods. Except for a rule adopted under  
 39 subsection (a)(13), for a rule adopted under this section to be effective  
 40 after one (1) extension period, the rule must be adopted under:

- 41 (1) sections 24 through 36 of this chapter; or
- 42 (2) IC 13-14-9;

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as applicable.

(h) A rule described in subsection (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.

(m) A rule described in subsection (a)(5) or (a)(6) expires on the date the department is next required to issue a rule under the statute authorizing or requiring the rule.

SECTION 2. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);

**(2) fifteen-hundredths percent (0.15%);**

~~(2)~~ **(3) two-tenths percent (0.2%);**

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- ~~(3)~~ (4) twenty-five hundredths percent (0.25%);  
~~(4)~~ (5) three-tenths percent (0.3%);  
~~(5)~~ (6) thirty-five hundredths percent (0.35%);  
~~(6)~~ (7) four-tenths percent (0.4%);  
~~(7)~~ (8) forty-five hundredths percent (0.45%); or  
~~(8)~~ (9) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the county. This tax takes effect October 1 of this year."

(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

- (A) fifteen-hundredths percent (0.15%);  
 (B) two-tenths percent (0.2%); or  
 (C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

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if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred

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eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or  
 (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not

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1 exceed the amount necessary to mitigate the increased ad valorem  
 2 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before  
 3 January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
 4 residential property (as defined in section 26 of this chapter), as  
 5 appropriate under the ordinance adopted by the adopting body in the  
 6 county, resulting from the deduction of the assessed value of inventory  
 7 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
 8 exclusion in 2008 of inventory from the definition of personal property  
 9 in IC 6-1.1-1-11.

10 (q) If the county economic development income tax is imposed as  
 11 authorized under subsection (p) at a rate that exceeds the maximum  
 12 rate that would otherwise apply under this section, the certified  
 13 distribution must be used for the purpose provided in section 25(e) or  
 14 26 of this chapter to the extent that the certified distribution results  
 15 from the difference between:

- 16 (1) the actual county economic development tax rate; and
- 17 (2) the maximum rate that would otherwise apply under this
- 18 section.

19 (r) This subsection applies only to a county described in section 27  
 20 of this chapter. Except as provided in subsection (p), in addition to the  
 21 rates permitted by subsection (b), the:

- 22 (1) county economic development income tax may be imposed at
- 23 a rate of twenty-five hundredths percent (0.25%); and
- 24 (2) county economic development income tax rate plus the county
- 25 option income tax rate that are in effect on January 1 of a year
- 26 may equal up to one and twenty-five hundredths percent (1.25%);
- 27 if the county council makes a determination to impose rates under this
- 28 subsection and section 27 of this chapter.

29 (s) Except as provided in subsection (p), the county economic  
 30 development income tax rate plus the county adjusted gross income tax  
 31 rate that are in effect on January 1 of a year may not exceed one and  
 32 five-tenths percent (1.5%) if the county has imposed the county  
 33 adjusted gross income tax under IC 6-3.5-1.1-3.3.

34 (t) This subsection applies to Howard County. Except as provided  
 35 in subsection (p), the sum of the county economic development income  
 36 tax rate and the county option income tax rate that are in effect on  
 37 January 1 of a year may not exceed one and twenty-five hundredths  
 38 percent (1.25%).

39 (u) This subsection applies to Scott County. Except as provided in  
 40 subsection (p), the sum of the county economic development income  
 41 tax rate and the county option income tax rate that are in effect on  
 42 January 1 of a year may not exceed one and twenty-five hundredths

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percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) An additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:

(1) the county economic development income tax rate plus the county adjusted gross income tax rate; or

(2) the county economic development tax rate plus the county option income tax rate.

(x) The income tax rate limits imposed by subsection (c) or (y) or any other provision of this chapter do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (y) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 3. IC 6-3.5-7-23, AS AMENDED BY P.L.146-2008, SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section applies ~~only~~ to the following:

(1) A county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(2) Any other county:

(A) for which a library services plan has been approved under IC 36-12.1 and is in effect; and

(B) that does not contain more than two (2) public library

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1 districts.

2 (b) As used in this section, "appropriate body" means the entity  
3 that imposes the county economic development income tax under  
4 section 5(a) of this chapter.

5 ~~(b)~~ (c) The ~~county council~~ appropriate body may by ordinance  
6 determine that, in order to promote the development of libraries in the  
7 county and thereby encourage economic development, it is necessary  
8 to use economic development income tax revenue to replace library  
9 property taxes in the county. ~~However, a county council may adopt an~~  
10 ~~ordinance under this subsection only if all territory in the county is~~  
11 ~~included in a library district.~~

12 ~~(c)~~ (d) If the ~~county council~~ appropriate body makes a  
13 determination under subsection ~~(b)~~; (c), the ~~county council~~  
14 appropriate body may adopt an ordinance to designate the county  
15 economic development income tax revenue generated by the tax rate  
16 adopted under section 5 of this chapter, or revenue generated by a  
17 portion of the tax rate, as revenue that will be used to replace public  
18 library property taxes imposed by public libraries in the county. The  
19 ~~county council~~ appropriate body may not designate for library  
20 property tax replacement purposes any county economic development  
21 income tax revenue that is generated by a tax rate of more than  
22 fifteen-hundredths percent (0.15%).

23 (e) This subsection applies to an ordinance adopted after  
24 December 31, 2008. The appropriate body may not adopt an  
25 ordinance under this section designating county economic  
26 development income tax revenue to replace public library property  
27 taxes if the designation would cause the county or a city or town in  
28 the county to receive a certified distribution less than the amount  
29 of economic development income tax pledged by the county, city,  
30 or town for any purpose permitted by IC 5-1-14 or any other  
31 statute.

32 (f) Subject to the provisions of this section, the appropriate body  
33 may adopt either of the following:

34 (1) An ordinance to increase or decrease the amount of county  
35 economic development income tax revenue that will be used  
36 to replace public library property taxes imposed in the  
37 county.

38 (2) An ordinance to rescind the use of county economic  
39 development income tax revenue to replace public library  
40 property taxes imposed in the county.

41 The appropriate body may not adopt an ordinance under this  
42 subsection to decrease the amount of or rescind the county

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1 economic development income tax revenue used to replace public  
 2 library property taxes imposed in the county if that county  
 3 economic development income tax revenue has been pledged by a  
 4 public library for any purpose permitted by IC 5-1-14 or any other  
 5 statute.

6 ~~(d)~~ (g) If the appropriate body adopts an ordinance under this  
 7 section, the county treasurer shall establish a library property tax  
 8 replacement fund to be used only for the purposes described in this  
 9 section. County economic development income tax revenues derived  
 10 from the portion of the tax rate designated for property tax replacement  
 11 credits under subsection ~~(c)~~ (d) shall be deposited in the library  
 12 property tax replacement fund before certified distributions are made  
 13 under section 12 of this chapter. Any interest earned on money in the  
 14 library property tax replacement fund shall be credited to the library  
 15 property tax replacement fund.

16 ~~(e)~~ (h) The amount of county economic development income tax  
 17 revenue dedicated to providing library property tax replacement credits  
 18 shall, in the manner prescribed in this section, be allocated to public  
 19 libraries operating in the county and shall be used by those public  
 20 libraries as property tax replacement credits. The amount of property  
 21 tax replacement credits that each public library in the county is entitled  
 22 to receive during a calendar year under this section equals the lesser of:

23 (1) the product of:

24 (A) the amount of revenue deposited by the county auditor in  
 25 the library property tax replacement fund; multiplied by

26 (B) a fraction described as follows:

27 (i) The numerator of the fraction equals the sum of the total  
 28 property taxes that would have been collected by the public  
 29 library during the previous calendar year from taxpayers  
 30 located within the library district if the property tax  
 31 replacement under this section had not been in effect.

32 (ii) The denominator of the fraction equals the sum of the  
 33 total property taxes that would have been collected during  
 34 the previous year from taxpayers located within the county  
 35 by all public libraries that are eligible to receive property tax  
 36 replacement credits under this section if the property tax  
 37 replacement under this section had not been in effect; or

38 (2) the total property taxes that would otherwise be collected by  
 39 the public library for the calendar year if the property tax  
 40 replacement credit under this section were not in effect.

41 **Notwithstanding any other law, after December 31, 2011, property**  
 42 **tax replacement credits may be provided under this section only to**

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**a public library that is covered by a plan approved under IC 36-12.1.** The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

~~(f)~~ **(i)** Notwithstanding subsection ~~(e)~~; **(h)**, if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

- (1) the amount of revenue deposited in the library property tax replacement fund; multiplied by
- (2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

~~(g)~~ **(j)** The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

~~(h)~~ **(k)** A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which

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a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

- (1) the amount of property tax replacement credits provided to the public library under this section; multiplied by
- (2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) (I) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) (m) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

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~~(k)~~ (n) For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

(o) This subsection applies to a taxpayer who:

(1) either:

(A) does not reside in the territory of any library district in the county; or

(B) resides in a library district in the county that is not covered by a plan; and

(2) pays for a taxable year county economic development income tax imposed by a county in which county economic development income tax revenue is dedicated under this section to provide library property tax replacement credits.

A taxpayer subject to this subsection is entitled to a credit against the taxpayer's county economic development tax liability for the taxable year. The credit is equal to the taxpayer's county economic development tax liability for the taxable year that is attributable to the part of the county economic development tax rate for the taxable year dedicated to providing library property tax replacement credits. The budget agency shall adjust the county's certified distribution of county economic development tax revenue to reflect the amount of credits provided under this subsection.

SECTION 4. IC 36-12.1 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

## **ARTICLE 12.1 LIBRARY REORGANIZATION**

### **Chapter 1. General Provisions**

**Sec. 1.** This article contains full and complete authority for the reorganization of library districts under a plan adopted in accordance with this article.

**Sec. 2.** Except as otherwise specifically provided by law, to the extent the provisions of this article are inconsistent with the provisions of any other general, special, or local law, the provisions of this article are controlling, and compliance with this article shall be treated as compliance with the conflicting law.

### **Chapter 2. Definitions**

**Sec. 1.** The definitions in IC 36-12-1 and this chapter apply throughout this article.

**Sec. 2.** "Board" means the Indiana library and historical board established under IC 4-23-7-2.

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1        **Sec. 3. "Committee" means a public library service planning**  
 2        **committee established under IC 36-12.1-4-2.**

3        **Sec. 4. "Plan" means a library services plan prepared by a**  
 4        **committee under IC 36-12.1-4.**

5        **Sec. 5. "State library" refers to the Indiana state library**  
 6        **established by IC 4-23-7-3.**

7        **Sec. 6. "Statewide standards" means the statewide library**  
 8        **standards adopted by the state library under IC 36-12.1-3.**

9        **Chapter 3. Statewide Library Standards**

10       **Sec. 1. Not later than July 1, 2009, the Indiana library and**  
 11       **historical board shall adopt emergency rules under IC 4-22-2-37.1**  
 12       **establishing statewide standards for the delivery of consistent,**  
 13       **quality library service to every resident of Indiana.**

14       **Sec. 2. The standards must include the following:**

- 15       (1) General administrative standards for library boards and
- 16       staff.
- 17       (2) Automation and technology standards.
- 18       (3) Standards regarding delivery of library materials and
- 19       interlibrary loans.
- 20       (4) Reciprocal borrowing standards.
- 21       (5) Standards regarding the provision of reference services.
- 22       (6) Any other standards necessary to provide library service
- 23       in the most efficient manner.

24       **Sec. 3. The board may update the standards under section 2 of**  
 25       **this chapter as necessary.**

26       **Chapter 4. Public Library Service Planning Committees**

27       **Sec. 1. This chapter applies to all counties.**

28       **Sec. 2. (a) There is established a public library service planning**  
 29       **committee in each county.**

30       (b) Except as provided in subsection (c), the committee members  
 31       are as follows:

- 32       (1) The library board of each library district in the county
- 33       shall appoint two (2) members. One (1) appointee of a library
- 34       board under this subdivision may be the director of the
- 35       library serving the library district.
- 36       (2) In addition to the members appointed under subdivision
- 37       (1), the board of trustees of the most populous library district
- 38       in the county shall select one (1) member.
- 39       (3) The governing body of each school corporation in the
- 40       county shall appoint one (1) member.
- 41       (4) Each legislative body of the two (2) municipalities with the
- 42       largest population in the county shall appoint one (1) member.

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(5) One (1) county commissioner or the county commissioner's designee.

(6) The president of the county council or the president's designee.

(7) The township trustee of each township in the county not served by a library.

(8) At least two (2) but not more than three (3) members selected by the county council.

(c) In a county having a consolidated city, the committee has eleven (11) members appointed as follows:

(1) Five (5) members appointed by the mayor of the consolidated city.

(2) Two (2) members appointed by the city-county council.

(3) One (1) member appointed by the board of commissioners of the county.

(4) One (1) member appointed by the governing body of the school corporation having the largest number of students in the county.

(5) One (1) member appointed by the library board of the most populous library district in the county.

(6) One (1) member of the library board of a library district of an excluded city. The member appointed under this subdivision shall be appointed jointly by the executives of the excluded cities having a separate library district.

(d) This subsection applies to a committee for which members are appointed under subsection (b) or (c). If the number of members appointed to the committee by one (1) or more library boards is more than fifty percent (50%) of the total number of members of the committee, the county council shall appoint one (1) or more additional members to the committee. The number of additional members to be appointed by the county council under this subsection may not exceed the lowest number of additional members necessary to ensure that the number of members appointed to the committee by one (1) or more library boards is not more than fifty percent (50%) of the total number of members of the committee.

Sec. 3. (a) The first meeting of the committee shall be convened not later than July 1, 2009, by the president of the county council or the president's designee.

(b) The committee shall select a chairperson from among its members at the committee's first meeting.

Sec. 4. A majority of the committee constitutes a quorum. An

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1 affirmative vote of a majority of the members appointed to the  
2 committee is required for the committee to take action.

3 Sec. 5. (a) The members of a committee serve at the pleasure of  
4 the appointing authority.

5 (b) Members of the committee hold office for terms of four (4)  
6 years, subject to replacement as prescribed in this chapter. An  
7 appointed member who ceases to be a resident of the county or  
8 ceases or no longer holds the office the member held when  
9 appointed to the commission may not continue to serve on a  
10 committee.

11 Sec. 6. The members of a committee serve without  
12 compensation.

13 Sec. 7. (a) A committee may do the following:

14 (1) Adopt procedures governing the internal management of  
15 the committee.

16 (2) Conduct public hearings on the plan as the committee  
17 determines necessary or appropriate.

18 (3) Review the financial documents of any public library  
19 within the county.

20 (b) A committee is subject to IC 5-14-1.5 (open door law) and  
21 IC 5-14-3 (public records law).

22 Sec. 8. The committee shall prepare a plan that is designed to  
23 provide library services to all residents of the county that meet or  
24 exceed the statewide library standards.

25 Sec. 9. (a) The state library shall conduct training sessions for  
26 committee members in at least four (4) separate regional locations.  
27 The state library shall determine the locations of the training  
28 sessions. At least one (1) training session must be held in:

29 (1) the northeastern part of Indiana;

30 (2) the northwestern part of Indiana;

31 (3) the southeastern part of Indiana; and

32 (4) the southwestern part of Indiana.

33 The four (4) regional training sessions may not be held in  
34 Indianapolis. However, the state library may, after the conclusion  
35 of the four (4) training sessions, provide additional training  
36 sessions at locations determined by the state library.

37 (b) The training sessions must educate the committee on library  
38 service models and all other aspects of the planning and  
39 implementation process that the state library considers necessary.

40 Sec. 10. (a) In formulating a plan, the committee shall determine  
41 the following:

42 (1) A general description of the public library districts and

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service areas of the county.

(2) Which of the following library service models shall be used to provide library services for all residents of the county:

(A) A consolidated countywide public library system.

(B) A consolidated public library system of two (2) or more counties.

(C) Two (2) or more independently governed library systems within the county.

However, if a county is served by a countywide public library system, the county's committee is not required to make a library service model determination under this subdivision.

(3) If existing public libraries are consolidated, the:

(1) assets;

(2) liabilities; and

(3) obligations;

of the existing public libraries shall be transferred to and assumed by the new library district of which they are a part, regardless of whether the plan provides for transfer and assumption.

(b) The plan must be supported by a summary statement of:

(1) how the plan will satisfy the statewide standards;

(2) data showing the:

(A) assessed valuation of each proposed library district;

(B) population within the proposed library district;

(C) assessed valuation per person within the proposed district; and

(D) property tax levies;

of each proposed district to which the plan applies; and

(3) any other data or information the committee considers appropriate or that may be required by the state library.

(c) The committee shall base the assessed valuations and tax levies referred to in subsection (b) on the assessed valuations applying to taxes collected in the previous year.

(d) The committee may obtain the data and information referred to in this subsection from any source the committee considers reliable. If the committee attempts in good faith to comply with this chapter, the summary statement referred to in subsection (b)(1) is sufficient regardless of whether the statement is accurate.

(e) If the boundary of a proposed library district does not follow the boundary of an existing civil unit of government, the description must set out the boundary:

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(1) as near as reasonably possible by:

(A) streets;

(B) rivers; and

(C) other similar boundaries;

that are known by common names; or

(2) if descriptions specified in subdivision (1) are not possible,  
by section lines or other legal description.

The description is not defective if there is a good faith effort by the committee to comply with this subsection or if the boundary may be ascertained with reasonable certainty by a person skilled in the area of real estate description. The committee may require the services of the county surveyor in preparing a description of a boundary line.

(f) If a committee determines that a library service model other than a consolidated countywide public library system should be used, the committee must include in the plan the committee's specific findings and explanation concerning:

(1) why the chosen library service model is preferable to a consolidated countywide public library system; and

(2) why the chosen library service model will result in the delivery of better library services than would result under a consolidated countywide public library system.

(g) The committee may not approve a plan unless the plan provides for library services to all areas of the county. However, a plan is subject to modification under section 19 of this chapter.

(h) If a committee determines that there are areas in the county that are underserved by public library systems, the planning committee shall consider the option of having a public library enter into an interlocal agreement with one (1) or more school corporations in the county to allow the public library to use the school buildings of the school corporation to better serve the underserved areas.

(i) Notwithstanding any other law, a plan may change the number of appointments that may be made by an appointing person or entity to the library board of a library covered by the plan. However, the plan may not change:

(1) the total number of appointments that may be made to the library board; or

(2) the persons or entities that make the appointments to the library board.

If the plan increases the number of appointments to the library board that may be made by a particular person or entity, the plan

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1 must provide for a corresponding decrease in the number of  
 2 appointments to the library board that may be made by another  
 3 person or entity. Notwithstanding any other law, a change in the  
 4 number of appointments to the library board that may be made by  
 5 an appointing person or entity takes effect as specified in the plan.

6 (j) If a plan provides that two (2) or more public library systems  
 7 shall be consolidated into one (1) remaining public library system,  
 8 no library operated by any of the public library systems that are  
 9 consolidated may be closed during the three (3) years following the  
 10 effective date of the plan.

11 Sec. 11. (a) The state library shall adopt written guidelines to  
 12 establish deadlines for the committee planning process, including  
 13 establishing a deadline for committees to identify the library  
 14 service model that the committee proposes to implement.

15 (b) The state library may advise and assist a committee in  
 16 preparing and implementing the committee's plan.

17 Sec. 12. (a) The state library and the office of management and  
 18 budget shall assist a committee in researching, developing, and  
 19 receiving grants and funding from:

- 20 (1) the federal government;
- 21 (2) private foundations; or
- 22 (3) any other source of funding;

23 to implement the plan.

24 (b) The state library shall provide technical and advisory  
 25 services to committees on funding and management needed to  
 26 implement the plan.

27 Sec. 13. (a) When a committee has prepared its plan, the  
 28 committee shall fix dates and places for one (1) or more public  
 29 hearings on the plan and give notice of the hearings to the residents  
 30 of the county. The committee may hold more than one (1) hearing.

31 The chairperson of the committee shall give the notice:

- 32 (1) by publication at least one (1) time in one (1) newspaper of  
 33 general circulation published in the county; and
- 34 (2) in a newspaper having a general circulation in the two (2)  
 35 municipalities with the largest population in the county;

36 at least ten (10) days but not more than thirty (30) days before the  
 37 date of the hearing.

38 (b) At the hearing:

- 39 (1) the committee shall:
  - 40 (A) explain the proposed plan;
  - 41 (B) summarize the committee's proposed library service
- 42 model; and

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(C) if the proposed plan includes consolidation of library systems, state the adjustment proposed for:

- (i) property;
- (ii) assets;
- (iii) debts; and
- (iv) other liabilities; and

(2) any resident of the county may be heard with reference to:

- (A) the proposed plan; or
- (B) an alternative plan.

Sec. 14. The committee shall consider any suggestions made in the public hearing and shall make any revisions or modifications in the committee's written plan as it considers necessary. The committee shall adopt its plan and submit it to the state library not later than February 1, 2010.

Sec. 15. (a) The state library:

- (1) shall review the plan to ensure that the plan aligns with the statewide standards;
- (2) may make written recommendations of modifications to the plan to ensure alignment; and
- (3) shall return the plan and any recommendations to the committee before April 15, 2010.

(b) A committee may modify the plan as the committee considers appropriate to address any recommendations made by the state library under subsection (a). The committee shall act on a modified plan of reorganization under sections 13 and 14 of this chapter in the same manner as the committee may take action on the initially submitted plan. After making any modifications the committee considers appropriate, the committee must take final action on the plan before May 15, 2010.

Sec. 16. If a plan proposes a library service model involving the consolidation of public library systems in two (2) or more counties, the committees of each county must approve the proposed plan and any modifications to the plan.

Sec. 17. (a) Subject to section 19 of this chapter, a plan does not become effective until the final version of the plan is approved by the committee. Approval of the state library is not required for the plan to become effective.

(b) After the committee approves a plan, the committee shall promptly, by certified mail with return receipt requested, give written notice of the approval to:

- (1) the state library;
- (2) the county executive of each county subject to the plan;

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- (3) the county recorder of each county;
- (4) the county fiscal body of each county; and
- (5) the department of local government finance.

Sec. 18. (a) Except as provided in section 19 of this chapter, a plan approved by a committee and any reorganization or consolidation under the plan takes effect January 1, 2012.

(b) Except as provided in section 19 of this chapter, any transfer of:

- (1) powers;
- (2) duties;
- (3) property rights;
- (4) other assets;
- (5) liabilities; and
- (6) contracts both as to rights and obligations;

in implementing the plan takes place on January 1, 2012.

Sec. 19. (a) The county fiscal body shall before June 1, 2010, publish a notice specifying that a petition process may be initiated to determine whether a public question should be placed on the ballot asking whether a particular library district or an area that is not part of a library district within a particular township should be covered by the plan. The notice must be published in accordance with IC 5-3-1. The notice must include a statement that any registered voter residing within a library district or an area that is not part of a library district within a particular township may sign a petition requesting a public question on whether the library district or area should be covered by the plan. The notice must include a statement that the petition must be signed after June 15, 2010, and filed before July 15, 2010.

(b) The state board of accounts shall design and deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section.

(c) The county voter registration office, with the assistance of the public libraries in the county, shall designate the area within each township that is not part of a public library. For purposes of submitting a petition requesting a public question under this section, the area that is not part of a library district and is within a particular township shall be considered a separate area in which the requirements of subsection (d) must be satisfied before a public question may be placed on the ballot in that area.

(d) A petition under this section must be filed before July 15, 2010, with the county voter registration office of the county in

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which the voter resides. If a petition requesting a public question on whether a library district or an area that is not part of a library district within a particular township should be covered by the plan is filed by the lesser of:

(1) one hundred (100) registered voters residing within the library district or area; or

(2) five percent (5%) of the registered voters residing within the library district or area;

a public question shall be placed on the ballot at the 2010 general election in that library district or that area.

(e) The county voter registration office of the county in which the library district has the most assessed value or the county voter registration office of the county in which the area that is not part of a library district within a particular township is located must certify whether a public question must be held to:

(1) the library board for any library district covered by the petition;

(2) the state library;

(3) the county election board of each county in which the library district is located; and

(4) the county election board of each county in which the area that is not part of a library district within a particular township is located.

(f) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9. A public question shall be placed on the ballot in a library district only if a sufficient petition requesting the public question is filed for that library district. A public question shall be placed on the ballot in an area that is not part of a library district within a particular township only if a sufficient petition requesting the public question is filed for that area. The following apply to a public question under this section:

(1) If the public question is placed on the ballot in a library district, the public question must be:

"Should the library plan approved for the county apply to the \_\_\_\_\_ (insert name) Library District?

( ) Yes.

( ) No."

(2) If the public question is placed on the ballot in an area that is not part of a library district within a particular township, the public question must be:

"Should the library plan approved for the county apply to the

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1 area in \_\_\_\_\_ (insert name of township) Township that is  
2 not currently part of a library district?

3 ☐ Yes.

4 ☐ No."

5 (g) IC 3 applies to a public question under this section to the  
6 extent that IC 3 is not in conflict with this chapter. Only voters who  
7 reside in:

8 (1) a library district; or

9 (2) an area that is not part of a library district within a  
10 particular township;  
11 in which the public question is on the ballot are entitled to vote on  
12 the public question.

13 (h) The circuit court clerk shall certify the results of the public  
14 question to the following:

15 (1) The state library.

16 (2) The executive and fiscal body of each county in which the  
17 public question is held.

18 (3) The library board of each public library that is:

19 (A) subject to consolidation under the plan;

20 (B) located in an area subject to the plan; or

21 (C) otherwise covered by or governed by the plan.

22 (i) Separate vote totals shall be certified for each library district  
23 and for each area that is not part of a library district within a  
24 particular township in which a public question is held. If, in a  
25 particular library district in which the public question is on the  
26 ballot, a majority of the voters vote that the library plan should not  
27 apply to the library district, that library district is not covered by  
28 the plan and any reorganization or consolidation under the plan.  
29 If the public question is on the ballot in an area that is not part of  
30 a library district within a particular township and a majority of  
31 the voters vote that the library plan should not apply to that area,  
32 that area is not covered by the plan and any reorganization or  
33 consolidation under the plan. A plan is considered to be modified  
34 to exclude any library district or area that, because of the results  
35 of the public question under this section, is not covered by the plan  
36 and any reorganization or consolidation under the plan. If a public  
37 question under this section is on the ballot in more than one (1)  
38 township for areas that are not part of a library district, the  
39 determination of:

40 (1) the results of the vote on the public question; and

41 (2) whether an area is covered by the plan and any  
42 reorganization or consolidation under the plan;

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1 shall be made separately for each township's area that is not part  
2 of a library district.

3 (j) A committee may adopt one (1) or more subsequent plans  
4 covering any library districts or contiguous areas that are not  
5 covered by an existing plan because of the results of a public  
6 question under this section. If a committee wishes to adopt a  
7 subsequent plan, the committee shall develop and adopt the plan  
8 using the procedures specified in this chapter and under guidelines  
9 and timelines adopted by the state library. A public question on a  
10 subsequent plan may be initiated by voters and placed on the ballot  
11 under the procedures specified in this section and under guidelines  
12 and timelines adopted by the state library. A public question on a  
13 subsequent plan that is eligible to be placed on the ballot shall be  
14 placed on the ballot at the next general election. However, not more  
15 than two (2) final plans may be adopted by a committee under this  
16 chapter in any seven (7) year period.

17 Sec. 20. The department of local government finance shall  
18 adjust maximum permissible ad valorem tax levies, tax rates, and  
19 budgets of political subdivisions as necessary to account for  
20 implementation of a plan.

21 Sec. 21. (a) If a committee fails to adopt a plan before May 15,  
22 2010, the state library, before June 1, 2010, shall prepare a plan to  
23 be implemented in the county. The state library shall hold all  
24 hearings in the county that is the subject of the plan.

25 (b) In a county in which subsection (a) applies, the state library  
26 shall provide the notice that the state library has approved the  
27 plan. A plan prepared and approved by the state library takes  
28 effect as set forth in sections 18 and 19 of this chapter.

29 Sec. 22. The state library shall prepare an annual report on all  
30 plans implemented in the state and the plan budgets. The state  
31 library shall submit the report to the general assembly in an  
32 electronic format under IC 5-14-6 and to the governor not later  
33 than January 1. The first report shall be submitted by the state  
34 library not later than January 1, 2013.

35 Sec. 23. The state library shall determine when a committee  
36 shall be dissolved after implementation of the county's plan.  
37 However, the state library may not dissolve a committee before  
38 January 1, 2013.

39 SECTION 5. An emergency is declared for this act.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 348, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 2. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) fifteen-hundredths percent (0.15%);**
- ~~(2)~~ **(3)** two-tenths percent (0.2%);
- ~~(3)~~ **(4)** twenty-five hundredths percent (0.25%);
- ~~(4)~~ **(5)** three-tenths percent (0.3%);
- ~~(5)~~ **(6)** thirty-five hundredths percent (0.35%);
- ~~(6)~~ **(7)** four-tenths percent (0.4%);
- ~~(7)~~ **(8)** forty-five hundredths percent (0.45%); or
- ~~(8)~~ **(9)** five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p),

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(r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the county. This tax takes effect October 1 of this year."

(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except

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as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
  - (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);
- except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January

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1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified

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distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) An additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:

- (1) the county economic development income tax rate plus the county adjusted gross income tax rate; or
- (2) the county economic development tax rate plus the county

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option income tax rate.

(x) The income tax rate limits imposed by subsection (c) or (y) or any other provision of this chapter do not apply to:

- (1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- (2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (y) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 3. IC 6-3.5-7-23, AS AMENDED BY P.L.146-2008, SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section applies ~~only~~ to the following:

- (1) A county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(2) Any other county:

- (A) for which a library services plan has been approved under IC 36-12.1 and is in effect; and
- (B) that does not contain more than two (2) public library districts.

(b) As used in this section, "appropriate body" means the entity that imposes the county economic development income tax under section 5(a) of this chapter.

~~(b)~~ (c) The ~~county council~~ **appropriate body** may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, ~~a county council~~ **the appropriate body** may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

~~(c)~~ (d) If the ~~county council~~ **appropriate body** makes a

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determination under subsection ~~(b)~~; **(c)**, the ~~county council~~ **appropriate body** may **adopt an ordinance to** designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The ~~county council~~ **appropriate body** may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

**(e) This subsection applies to an ordinance adopted after December 31, 2008. The appropriate body may not adopt an ordinance under this section designating county economic development income tax revenue to replace public library property taxes if the designation would cause the county or a city or town in the county to receive a certified distribution less than the amount of economic development income tax pledged by the county, city, or town for any purpose permitted by IC 5-1-14 or any other statute.**

**(f) Subject to the provisions of this section, the appropriate body may adopt either of the following:**

- (1) An ordinance to increase or decrease the amount of county economic development income tax revenue that will be used to replace public library property taxes imposed in the county.**
- (2) An ordinance to rescind the use of county economic development income tax revenue to replace public library property taxes imposed in the county.**

**The appropriate body may not adopt an ordinance under this subsection to decrease the amount of or rescind the county economic development income tax revenue used to replace public library property taxes imposed in the county if that county economic development income tax revenue has been pledged by a public library for any purpose permitted by IC 5-1-14 or any other statute.**

~~(d)~~ **(g) If the appropriate body adopts an ordinance under this section,** the county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection ~~(c)~~ **(d)** shall be deposited in the library property tax replacement fund before certified distributions are made

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under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

~~(e)~~ **(h)** The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

~~(f)~~ **(i)** Notwithstanding subsection ~~(e)~~; **(h)**, if a public library did not impose a property tax levy during the previous calendar year, that

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public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

- (1) the amount of revenue deposited in the library property tax replacement fund; multiplied by
- (2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

~~(g)~~ (j) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

~~(h)~~ (k) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

- (1) the amount of property tax replacement credits provided to the public library under this section; multiplied by
- (2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP

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TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(j) **(l)** For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) **(m)** A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) **(n)** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year."

Page 6, delete lines 8 through 42, begin a new paragraph and insert:

**"Sec. 2. The standards must include the following:**

- (1) General administrative standards for library boards and staff.**
- (2) Automation and technology standards.**
- (3) Standards regarding delivery of library materials and interlibrary loans.**
- (4) Reciprocal borrowing standards.**
- (5) Standards regarding the provision of reference services.**
- (6) Any other standards necessary to provide library service**



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**in the most efficient manner."**

Delete page 7.

Page 8, delete lines 1 through 14.

Page 8, between lines 17 and 18, begin a new paragraph and insert:

**"Sec. 1. This chapter does not apply to a county having a consolidated city."**

Page 8, line 18, delete " Sec. 1. (a) There" and insert **"Sec. 2. (a) Except as provided in section 1 of this chapter, there"**.

Page 8, line 20, delete "Except as provided in subsection (c), the" and insert **"The"**.

Page 8, line 22, delete "Each" and insert **"The library board of each"**.

Page 8, line 23, after "members." insert **"One (1) appointee of a library board under this subdivision may be the director of the library serving the library district."**

Page 8, delete lines 24 through 27, begin a new line block indented and insert:

**"(2) In addition to the members appointed under subdivision (1), the board of trustees of the most populous library district in the county shall select one (1) member."**

Page 8, line 28, delete "Each" and insert **"The governing body of each"**.

Page 8, line 28, delete "district" and insert **"corporation"**.

Page 8, line 30, delete "executive" and insert **"legislative body"**.

Page 8, delete lines 40 through 42.

Page 9, delete lines 1 through 16, begin a new paragraph and insert:

**"(c) This subsection applies to a committee for which members are appointed under subsection (b). If the number of members appointed to the committee by one (1) or more library boards is more than fifty percent (50%) of the total number of members of the committee, the county council shall appoint one (1) or more additional members to the committee. The number of additional members to be appointed by the county council under this subsection may not exceed the lowest number of additional members necessary to ensure that the number of members appointed to the committee by one (1) or more library boards is not more than fifty percent (50%) of the total number of members of the committee."**

Page 9, line 17, delete "2." and insert **"3."**

Page 9, line 22, delete "3." and insert **"4."**

Page 9, line 25, delete "4." and insert **"5."**

Page 9, line 33, delete "Sec. 5. All proper expenses of a committee

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shall be paid from the" and insert "Sec. 6."

Page 9, delete line 34.

Page 9, line 35, delete "furnished by the county."

Page 9, run in lines 33 through 35.

Page 9, line 36, after "compensation" insert ".".

Page 9, line 36, delete "but are entitled to reimbursement for the".

Page 9, delete line 37.

Page 9, line 38, delete "6." and insert "7."

Page 10, line 1, delete "books and records" and insert **"financial documents"**.

Page 10, line 5, delete "7." and insert "8."

Page 10, line 8, delete "8." and insert "9."

Page 10, line 23, delete "9." and insert **"10."**

Page 10, line 29, delete "," and insert ".".

Page 10, delete line 30.

Page 10, line 32, after "counties" insert ".".

Page 10, line 32, delete "funded by countywide tax in each county that".

Page 10, delete line 33.

Page 10, line 35, after "county" insert ".".

Page 10, line 35, delete "funded by a countywide tax in".

Page 10, delete lines 36 through 42, begin a new line block indented and insert:

**"However, if a county is served by a countywide public library system, the county's committee is not required to make a library service model determination under this subdivision."**

Page 11, delete lines 1 through 3.

Page 12, between lines 5 and 6, begin a new paragraph and insert:

**"(f) If a committee determines that a library service model other than a consolidated countywide public library system should be used, the committee must include in the plan the committee's specific findings and explanation concerning:**

**(1) why the chosen library service model is preferable to a consolidated countywide public library system; and**

**(2) why the chosen library service model will result in the delivery of better library services than would result under a consolidated countywide public library system.**

**(g) The committee may not approve a plan unless the plan provides for library services to all areas of the county.**

**(h) If a committee determines that there are areas in the county that are underserved by public library systems, the planning committee shall consider the option of having a public library enter**

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into an interlocal agreement with one (1) or more school corporations in the county to allow the public library to use the school buildings of the school corporation to better serve the underserved areas.

(i) Notwithstanding any other law, a plan may change the number of appointments that may be made by an appointing person or entity to the library board of a library covered by the plan. However, the plan may not change:

- (1) the total number of appointments that may be made to the library board; or
- (2) the persons or entities that make the appointments to the library board.

If the plan increases the number of appointments to the library board that may be made by a particular person or entity, the plan must provide for a corresponding decrease in the number of appointments to the library board that may be made by another person or entity. Notwithstanding any other law, a change in the number of appointments to the library board that may be made by an appointing person or entity takes effect as specified in the plan.

(j) If a plan provides that two (2) or more public library systems shall be consolidated into one (1) remaining public library system, no library operated by any of the public library systems that are consolidated may be closed during the three (3) years following the effective date of the plan."

Page 12, line 6, delete "10." and insert "11."

Page 12, line 12, delete "11." and insert "12."

Page 12, line 12, after "library" insert "and the office of management and budget".

Page 12, line 21, delete "12." and insert "13."

Page 13, line 4, delete "13." and insert "14."

Page 13, line 10, delete "14." and insert "15."

Page 13, line 20, delete "12 and 13" and insert "13 and 14".

Page 13, line 22, delete "15." and insert "16."

Page 13, line 23, delete ", alliance, or federation".

Page 13, line 26, delete "16." and insert "17."

Page 13, line 36, delete "17." and insert "18."

Page 13, line 37, after "reorganization" delete "," and insert "or".

Page 13, line 37, delete ", alliance, or federation".

Page 13, line 38, delete "2011." and insert "2012."

Page 14, line 4, delete "2011." and insert "2012."

Page 14, line 5, delete "18." and insert "19."

Page 14, line 9, delete "19." and insert "20."

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Page 14, line 14, delete "12 and 13" and insert "**13 and 14**".  
 Page 14, line 17, delete "16" and insert "**17**".  
 Page 14, line 19, delete "17" and insert "**18**".  
 Page 14, line 20, delete "20." and insert "**21.**".  
 Page 14, line 25, delete "2012." and insert "**2013.**".  
 Page 14, line 26, delete "21." and insert "**22.**".  
 Page 14, line 27, after "plan." insert "**However, the state library may not dissolve a committee before January 1, 2013.**".  
 Renumber all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 348 as introduced.)

LAWSON C, Chairperson

Committee Vote: Yeas 7, Nays 1.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 348, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 11, line 9, strike "However,".  
 Page 11, line 9, after "council" delete "the".  
 Page 11, line 10, delete "appropriate body".  
 Page 11, line 10, strike "may adopt an ordinance under this subsection only".  
 Page 11, strike line 11.  
 Page 12, line 41, before "The" insert "**Notwithstanding any other law, after December 31, 2011, property tax replacement credits may be provided under this section only to a public library that is covered by a plan approved under IC 36-12.1.**".

Page 15, between lines 2 and 3, begin a new paragraph and insert:  
**"(o) This subsection applies to a taxpayer who:**

- (1) either:**
  - (A) does not reside in the territory of any library district in the county; or**
  - (B) resides in a library district in the county that is not covered by a plan; and**
- (2) pays for a taxable year county economic development**



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income tax imposed by a county in which county economic development income tax revenue is dedicated under this section to provide library property tax replacement credits. A taxpayer subject to this subsection is entitled to a credit against the taxpayer's county economic development tax liability for the taxable year. The credit is equal to the taxpayer's county economic development tax liability for the taxable year that is attributable to the part of the county economic development tax rate for the taxable year dedicated to providing library property tax replacement credits. The budget agency shall adjust the county's certified distribution of county economic development tax revenue to reflect the amount of credits provided under this subsection."

Page 15, line 22, delete "IC 36-12.1-4-1." and insert "**IC 36-12.1-4-2.**".

Page 16, line 5, delete "does not apply to a county having a" and insert "**applies to all counties.**".

Page 16, delete line 6.

Page 16, line 7, delete "Except as provided in section 1 of this chapter, there" and insert "**There**".

Page 16, line 10, delete "The" and insert "**Except as provided in subsection (c), the**".

Page 16, between lines 29 and 30, begin a new paragraph and insert: "**(c) In a county having a consolidated city, the committee has eleven (11) members appointed as follows:**

- (1) Five (5) members appointed by the mayor of the consolidated city.
- (2) Two (2) members appointed by the city-county council.
- (3) One (1) member appointed by the board of commissioners of the county.
- (4) One (1) member appointed by the governing body of the school corporation having the largest number of students in the county.
- (5) One (1) member appointed by the library board of the most populous library district in the county.
- (6) One (1) member of the library board of a library district of an excluded city. The member appointed under this subdivision shall be appointed jointly by the executives of the excluded cities having a separate library district."

Page 16, line 30, delete "(c)" and insert "(d)".

Page 16, line 31, after "(b)" delete "." and insert "**or (c).**".

Page 19, line 29, after "county." insert "**However, a plan is subject to modification under section 19 of this chapter.**".

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Page 21, line 14, delete "(a)".

Page 21, line 18, delete "July 1, 2010." and insert **"February 1, 2010."**

Page 21, delete line 19.

Page 21, line 26, delete "." and insert **"before April 15, 2010."**

Page 21, line 27, after "plan" insert **"as the committee considers appropriate"**.

Page 21, line 27, delete "comply with" and insert **"address any"**.

Page 21, line 31, after "plan." insert **"After making any modifications the committee considers appropriate, the committee must take final action on the plan before May 15, 2010."**

Page 21, line 36, delete "A" and insert **"Subject to section 19 of this chapter, a"**.

Page 21, line 36, after "the" insert **"final version of the"**.

Page 21, line 37, delete "state library." and insert **"committee. Approval of the state library is not required for the plan to become effective."**

Page 21, line 38, after "After the" delete "state library" and insert **"committee"**.

Page 21, line 38, after "plan, the" delete "state library" and insert **"committee"**.

Page 21, line 41, delete "chairperson of each committee submitting the plan;" and insert **"state library;"**.

Page 22, line 4, delete "A" and insert **"Except as provided in section 19 of this chapter, a"**.

Page 22, line 4, delete "the state library" and insert **"a committee"**.

Page 22, line 7, delete "Any" and insert **"Except as provided in section 19 of this chapter, any"**.

Page 22, between lines 14 and 15, begin a new paragraph and insert:

**"Sec. 19. (a) The county fiscal body shall before June 1, 2010, publish a notice specifying that a petition process may be initiated to determine whether a public question should be placed on the ballot asking whether a particular library district or an area that is not part of a library district within a particular township should be covered by the plan. The notice must be published in accordance with IC 5-3-1. The notice must include a statement that any registered voter residing within a library district or an area that is not part of a library district within a particular township may sign a petition requesting a public question on whether the library district or area should be covered by the plan. The notice must include a statement that the petition must be signed after June 15, 2010, and filed before July 15, 2010."**

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(b) The state board of accounts shall design and deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section.

(c) The county voter registration office, with the assistance of the public libraries in the county, shall designate the area within each township that is not part of a public library. For purposes of submitting a petition requesting a public question under this section, the area that is not part of a library district and is within a particular township shall be considered a separate area in which the requirements of subsection (d) must be satisfied before a public question may be placed on the ballot in that area.

(d) A petition under this section must be filed before July 15, 2010, with the county voter registration office of the county in which the voter resides. If a petition requesting a public question on whether a library district or an area that is not part of a library district within a particular township should be covered by the plan is filed by the lesser of:

- (1) one hundred (100) registered voters residing within the library district or area; or
- (2) five percent (5%) of the registered voters residing within the library district or area;

a public question shall be placed on the ballot at the 2010 general election in that library district or that area.

(e) The county voter registration office of the county in which the library district has the most assessed value or the county voter registration office of the county in which the area that is not part of a library district within a particular township is located must certify whether a public question must be held to:

- (1) the library board for any library district covered by the petition;
- (2) the state library;
- (3) the county election board of each county in which the library district is located; and
- (4) the county election board of each county in which the area that is not part of a library district within a particular township is located.

(f) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9. A public question shall be placed on the ballot in a library district only if a sufficient petition requesting the public question is filed for that library district. A public question

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shall be placed on the ballot in an area that is not part of a library district within a particular township only if a sufficient petition requesting the public question is filed for that area. The following apply to a public question under this section:

(1) If the public question is placed on the ballot in a library district, the public question must be:

"Should the library plan approved for the county apply to the \_\_\_\_\_ (insert name) Library District?

☐ Yes.

☐ No."

(2) If the public question is placed on the ballot in an area that is not part of a library district within a particular township, the public question must be:

"Should the library plan approved for the county apply to the area in \_\_\_\_\_ (insert name of township) Township that is not currently part of a library district?

☐ Yes.

☐ No."

(g) IC 3 applies to a public question under this section to the extent that IC 3 is not in conflict with this chapter. Only voters who reside in:

(1) a library district; or

(2) an area that is not part of a library district within a particular township;

in which the public question is on the ballot are entitled to vote on the public question.

(h) The circuit court clerk shall certify the results of the public question to the following:

(1) The state library.

(2) The executive and fiscal body of each county in which the public question is held.

(3) The library board of each public library that is:

(A) subject to consolidation under the plan;

(B) located in an area subject to the plan; or

(C) otherwise covered by or governed by the plan.

(i) Separate vote totals shall be certified for each library district and for each area that is not part of a library district within a particular township in which a public question is held. If, in a particular library district in which the public question is on the ballot, a majority of the voters vote that the library plan should not apply to the library district, that library district is not covered by the plan and any reorganization or consolidation under the plan.

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If the public question is on the ballot in an area that is not part of a library district within a particular township and a majority of the voters vote that the library plan should not apply to that area, that area is not covered by the plan and any reorganization or consolidation under the plan. A plan is considered to be modified to exclude any library district or area that, because of the results of the public question under this section, is not covered by the plan and any reorganization or consolidation under the plan. If a public question under this section is on the ballot in more than one (1) township for areas that are not part of a library district, the determination of:

(1) the results of the vote on the public question; and

(2) whether an area is covered by the plan and any reorganization or consolidation under the plan;

shall be made separately for each township's area that is not part of a library district.

(j) A committee may adopt one (1) or more subsequent plans covering any library districts or contiguous areas that are not covered by an existing plan because of the results of a public question under this section. If a committee wishes to adopt a subsequent plan, the committee shall develop and adopt the plan using the procedures specified in this chapter and under guidelines and timelines adopted by the state library. A public question on a subsequent plan may be initiated by voters and placed on the ballot under the procedures specified in this section and under guidelines and timelines adopted by the state library. A public question on a subsequent plan that is eligible to be placed on the ballot shall be placed on the ballot at the next general election. However, not more than two (2) final plans may be adopted by a committee under this chapter in any seven (7) year period."

Page 22, line 15, delete "19." and insert "**20.**".

Page 22, line 19, delete "20." and insert "**21.**".

Page 22, line 19, delete "submit" and insert "**adopt**".

Page 22, line 19, delete "to the state".

Page 22, line 20, delete "library".

Page 22, line 20, delete "July 1," and insert "**May 15,**".

Page 22, line 20, delete "or the committee notifies the state".

Page 22, line 21, delete "library that the committee is unable to complete its plan,".

Page 22, line 22, after "library" insert ", **before June 1, 2010,**".

Page 22, line 22, delete "The".

Page 22, delete line 23.

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Page 22, line 24, delete "under sections 13 and 14 of this chapter."

Page 22, line 26, delete "The" and insert "**In a county in which subsection (a) applies, the**".

Page 22, line 27, delete "in accordance with section 17 of this" and insert ".".

Page 22, line 28, delete "chapter."

Page 22, line 29, delete "section 18" and insert "**sections 18 and 19**".

Page 22, line 30, delete "21." and insert "**22.**".

Page 22, line 36, delete "22." and insert "**23.**".

and when so amended that said bill do pass.

(Reference is to SB 348 as printed January 30, 2009.)

KENLEY, Chairperson

Committee Vote: Yeas 7, Nays 2.

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